

1 portability we're full players. If there needs to be a
2 system upgrade or a change or whatever, we're part of the
3 management process. Not being involved in the SMT precludes
4 us from that role. So that's the first order of business,
5 that that playing field needs to be level, right there.

6 The second order of business is who pays for what?
7 And how much do things cost? We believe that the costs are
8 much, much too high today, and could be, and should be,
9 looked at and reduced. And lastly, the system, whatever
10 changes are made, or whatever the evolution of the process
11 and the structure is, it needs to be backwards compatible so
12 that it does not impose a tremendous burden on existing
13 investments. I go back to my analogy with the airlines and
14 so forth on that. So thank you.

15 MS. GORNEY: Okay. Thank you. And could I have
16 Norina Moy, at Sprint, speak?

17 MS. MOY: Yes. We are also strongly in favor of
18 neutral management, and we're pleased to hear that the SMT
19 has made a decision to exit that particular role. I would
20 hope that given the SMT's decision here, that the FCC would,
21 on an expedited basis, institute a proceeding to determine
22 the scope or the steps needed for a transition to a neutral
23 entity, and discuss things about whether it should be an
24 LLC, and whether you want to go the RFP route, and farm out
25 to the industry those issues where industry expertise can

1 best be used. For example, in the development of technical
2 specifications for an RFP. Sprint is willing to devote
3 resources to participating in that activity, and I think
4 that is probably the best news I've heard this afternoon.

5 MS. GORNEY: Okay. Jim?

6 MR. GRUDUS: Jim Grudus, from AT&T. AT&T, like
7 Sprint and WorldCom, are very happy that it seems we're
8 moving swiftly to a neutral administrative regime. We think
9 that the industry can benefit from that. We agree with what
10 has been said. We think that procedurally, seeking some
11 input from the industry on specifics, things that we have
12 learned through local number portability pooling, that we
13 might be able to submit comments to you to help structure
14 this quickly, and benefit from some of the learning, in
15 terms of the development in those segments of the industry.
16 So we're happy and we're here to support and help move this
17 quickly, because we think both on a functionality and a cost
18 basis, that the industry can benefit from a new neutral
19 environment, and we support everything that WorldCom has
20 said about the technical functionality that needs to be
21 accounted for during the transitional period.

22 MS. GORNEY: Okay. Thank you. And could I have
23 Mitch Kaufman, from NCS Pearson.

24 MR. KAUFMAN: This is Mitch Kaufman, NCS Pearson.
25 We also believe that there should be a neutral third party

1 for toll-free administration and agree with Sprint that it
2 is imperative that requirements be developed for any
3 competitor in this market to respond to an RFI or RFP for
4 this system. Thank you.

5 MS. GORNEY: Okay. And Art Brothers, from
6 Beehive.

7 MR. BROTHERS: Art Brothers, Beehive Telephone.
8 We concur with the, what appears to be the majority here. I
9 rather suspect that even if SPC hasn't signed off on it,
10 they're still a big chunk, and they might not. And that's
11 an assumption. This pretty well goes to the point of our
12 comments on part one and part two, and we'll get into other
13 stuff later as you work down your list, Jennifer. Thank
14 you.

15 MS. GORNEY: Okay. And our last person on the
16 list is Loren Stocker. Loren?

17 MR. STOCKER: Yes. I just want to add -- this is
18 Loren, from Vanity International. I would just add that I
19 would like to see the other interfaces preserved, as well.
20 Keep in mind there's human costs, there's training, there's
21 people that know how to use the old SMS system on the dial-
22 up interface, there's GUI systems now. I'd like to see both
23 of those preserved as well. And under no circumstances
24 would we like to be forced to use the MGI.

25 MS. GORNEY: Okay. Do I have any comments or

1 questions from anyone, to be brief, please. Marcel?

2 MR. CHAMPAGNE: Marcel Champagne, from NeuStar.
3 Just for the record, NeuStar would like to -- would welcome
4 the opportunity to participate in a competitive bid for the
5 operation of the database.

6 MS. GORNEY: Okay. And Peter?

7 MR. GUGGINA: Thank you. Peter Guggina, WorldCom.
8 I would just like to briefly mention, there's been a lot
9 discussed today, and a lot of concerns expressed, regarding
10 the costs of the higher grade interface. And my question
11 is, why does it have to cost that much? Okay. Originally,
12 there was a fee that was here, and I think if I recall, it
13 was \$500,000 just to get to the table on it. And now, I
14 think that's \$50,000. But why does it have to be \$50,000
15 just to talk about that interface and so forth? It should
16 be made available at a much lower cost so that it isn't only
17 the larger players that can afford to play in that space.
18 So maybe that's something that can be on the first order of
19 business, you know, if any structure is changed.

20 MS. GORNEY: Okay. Thank you. Is there anyone
21 else that wanted to provide a brief comment? Yes, Tony?

22 MR. CHOI: It's Tony Choi, from Bell Canada. I'd
23 like to echo Peter's comment, and I would like to also make
24 once supplementary note, if it is not evident already, that
25 if and when we move to a neutral third party at a cost, that

1 the RespOrgs have to payable should not be -- should be
2 less. If it's not at the same level.

3 MS. GORNEY: I'm sorry. Could you repeat that
4 please?

5 MR. CHOI: Whenever we move to a neutral third
6 party, because payable by the RespOrgs, should not be more
7 than what we are paying today.

8 MS. GORNEY: Okay. Thank you. And anyone else,
9 briefly?

10 MS. GRIFFIN: This is Diane Griffin, with the FCC.
11 And I just wanted to mention that back in the summer of
12 2000, the Commission indicated it's desire to look at toll-
13 free administration in general and determine whether there
14 was a better way of doing this, in light of some issues that
15 were raised by industry participants, including cost issues
16 and just questioning the neutrality of the current
17 administrator. And we also determined in that order some
18 specific -- we looked at the neutrality and determined at
19 that time that, in fact, the administrator in place was
20 neutral. So I don't want to indicate or hint that there
21 might be some -- that that's the driving issue here, because
22 it's not. But it is certainly a factor. And we also asked
23 the Nanci to look at specific proposals for, you know, what
24 other way we could structure toll-free administration. and
25 we weren't able to get back any, I guess, any specific

1 proposals from the Nanci, so I am encouraged to hear today
2 from several entities that they are willing to set forth
3 some specific proposals to help us. And I think the
4 Commission is still very, very much interested in trying to
5 see whether there's a better way to do toll-free
6 administration. And I would encourage the industry to join
7 forces and come up with something we can sort of sink our
8 teeth into and move forward at a quick pace. Thanks.

9 MS. GORNEY: Okay. On that note I'm going to move
10 on to the next question. We ask here, should the current
11 self-serve method of allocating toll-free numbers be
12 replaced by an allocation system similar to the North
13 American Numbering Plan system in which the number
14 administrator allocates numbers upon a carrier request
15 subject to certain conditions. And I'm going to ask Megan
16 to speak first.

17 MS. CAMPBELL: Megan Campbell, ATIS. And the
18 SNAC's position on this issue is basically that the current
19 method of allocation has served the toll-free industry well
20 and that a more map like method of allocation may
21 unneedlessly complicate the process.

22 MS. GORNEY: Okay. Chris Rugh.

23 MR. RUGH: I think the North American Numbering
24 Plan should look to us for guidance.

25 MS. GORNEY: Okay.

1 MR. RUGH: I think that 800 numbers, whether
2 certain individuals want to admit it or not they have
3 certain inherent value. And to allocate blocks of numbers
4 gives a highly uncompetitive advantage to somebody who may
5 be allocated a block of numbers that may be more valuable
6 than others. And although, you know, as a Commission they
7 have not deemed that numbers have value, they do have value
8 to consumers. They have value based on how easy they are to
9 remember. It can make an advertising campaign ten if not 20
10 times more effective. So to just give them out in blocks
11 just doesn't make any sense whatsoever.

12 MS. GRIFFIN: I would just say that I don't think
13 the question necessarily presumes that if they would be
14 allocated in blocks, they could be allocated in individual
15 numbers much in the way carriers now -- if I'm a RespOrg
16 with a customer that wants a number, I go in and get the
17 number versus a third party administrator requesting that
18 that third party administrator assign me the number. I
19 think that's the distinction that the question goes to.

20 MR. RUGH: So the real question that the
21 Commission is asking then is, would it be a good idea to
22 have numbers come, you know, be able to have the general
23 public go out and get those numbers directly? Am I
24 misunderstanding?

25 MS. GRIFFIN: I don't think that's exactly it,

1 although that could be a variation on it. I think the
2 difference is the self-serve method which whereby the
3 RespOrg requests from the system and gets the number and
4 assigns it to its subscriber versus a third party
5 administrator being in place if I, RespOrg, want this number
6 to give to my customer, I make a request. And instead of me
7 being able to go into the bucket and get the number myself,
8 the third party administrator has to go into the bucket and
9 give me access to the number.

10 MR. RUGH: Okay. And I understand. And whether
11 it's a block or an individual number, our feeling is still
12 the same. It's an undue bureaucracy, and the only people
13 that are actually going actually really get numbers are
14 going to be those people that have political influence with
15 that particular administrator to get the really good
16 numbers.

17 MS. GORNEY: Okay. Thank you. Could I have AT&T
18 Jim, speak next?

19 MR. GRUDUS: Sure. Jim Grudus, from AT&T. We
20 think that the current system has got some good benefits in
21 terms of its ability for RespOrgs to serve their customers.
22 We think that additional conditions that we don't think are
23 predicate has really being laid saying that there is a
24 pressing need for them, and that any additional conditions
25 at this point without that predicate would be very

1 burdensome, and the added step in the processes, we just
2 don't see that there's been a record created for a need on
3 that. And that is additional costs that aren't necessary to
4 be born at this point, or solve any problems. We think the
5 system is functioning at a reasonably good fashion now, and
6 serves both the customers and the RespOrgs well.

7 MS. GORNEY: Okay. Thank you. And could I have
8 Loren Stocker speak next?

9 MR. STOCKER: Yes. Loren Stocker, from Vanity
10 International. Actually, I think it would create problems
11 because all of the sudden now the users are allocated a
12 number they don't want. Then they're going to turn around
13 and want to trade it in for something else. Right now, just
14 like parking, parking spots do have value, yet they remain a
15 public resource I would contend, yet everyone is free to
16 make an extra effort to get a good spot, one that's closer
17 to wherever you're going. And I think that needs to remain
18 in our system now, it's really a model that I think, as Mr.
19 Rugh said, it's probably a model for the Number
20 Administration to follow rather than the other way around.

21 MS. GORNEY: Okay. Thank you. And could I have
22 WorldCom speak next?

23 MR. GUGGINA: Peter Guggina, WorldCom. WorldCom
24 also agrees that it would be an extra burden, which would
25 impose additional costs and would actually likely end up as

1 an impediment to the day-to-day operation of providing toll-
2 free services. And it would also create a potential --
3 could potentially create a bottleneck if all of the requests
4 from all the different companies were going through one
5 entity, and it would certainly drive up the cost of
6 administration, which is not in anyone's interest.

7 MS. GORNEY: Okay. Thank you. All right. Thank
8 you. And Mitch Kaufman? You have no comment? I'm sorry
9 about that. And Norina Moy?

10 MS. MOY: We also oppose the going through the
11 third party administrator. Just to maybe give an idea of
12 the difference in volume between toll-free reservations and
13 NAPR requests, I think NAPR requests come in blocks of
14 thousands or ten thousands, and here you may be allocating
15 numbers one at a time, or maybe ten at a time. And I'm told
16 that last year there were something like five million
17 numbers reserved and I don't know who may of million
18 requests to see if a number that our customer wanted was
19 available. So that is a huge volume of traffic at a very
20 high cost.

21 MS. GORNEY: Thanks, Norina. And does anybody
22 else have any comments before I move on?

23 MR. BROTHERS: Us cowboys would like a word for a
24 minute.

25 MS. GORNEY: Okay.

1 MR. BROTHERS: Art Brothers, Beehive Telephone.
2 Actually I don't have any problem whatsoever with allocating
3 toll-free numbers and that's assuming we're going to switch
4 a lot of the system around. And it probably also presumes
5 that there will be a free market adopted to numbers. So
6 somebody might take ten numbers, or 50 numbers, or a block,
7 and administer them as they see fit. It's been referenced
8 here, folks talking, Sprint, that numbers are assigned in
9 blocks of ten thousand for central office locations. We
10 have 200,000 numbers in our company. We don't use them all,
11 but it's different arrangement there. It's mainly because
12 of rating and communities having separate communities of
13 interest. But allocating a block in a workable manner seems
14 to be reasonable to me. That's all. Thank you.

15 MS. GORNEY: Okay. Thank you, Art. Any final
16 comments before we move on? Okay.

17 In this next question we ask, what changes to the
18 structure would reduce costs to responsible organizations
19 and consumers, as well as increase the efficiency of toll-
20 free number use. And the first person on my list is Steve.

21 MR. LEVINN: We viewed this as a technical
22 question, and while there have been significant technical
23 solutions that have been proposed to make the system more
24 efficient, one is the concept that's used in many companies
25 internally is the idea of routing blocks of numbers the same

1 way. Right now, there's a very large overhead which is paid
2 by both the dial-up and the MGI user to transfer the same
3 routing logic thousands, perhaps hundreds of thousands of
4 times, and in cases recently, millions of times, the exact
5 same routing as that SMS/800 because of the technical
6 structure of the system.

7 Being able to do that as a single request either
8 online or through MGI would significantly lower the costs to
9 implementing changes in SMS. It wouldn't change SMS costs
10 because their cost structure is based on numbers, not on
11 transactions. But there's a lot of -- I mean again, if you
12 start to evaluate how a new system would be designed,
13 considerations like that need to be taken, they need to be
14 understood, so that we don't build the inefficiencies of the
15 system in again. That's it.

16 MS. GORNEY: Okay. Just due to time, I do ask
17 that all the participants be as brief as possible. And next
18 I have Marcel, from NeuStar.

19 MR. CHAMPAGNE: Marcel Champagne, from NeuStar.
20 Basically, NeuStar would suggest that perhaps a system
21 technology refresh is in order. This meaning, that new
22 system being built based on industry requirements and
23 strictly industry that have come to under the guise of a
24 contracting party able to put an RFP for the system. That
25 comes with a few caveats, as well. Being that the

1 management and oversight of both the initial and ongoing
2 development also be managed by an industry party such as an
3 LLC. Having the competitive bid in this process will help
4 ensure that, one, the industry gets the best price, as well
5 as encouraging overall innovation and creativity in
6 implementing a new system.

7 Now, I did specify by industry requirement,
8 meaning items such as backward compatibility can be
9 accommodated and will help the industry adapt to a new
10 system that can be implemented, given advances in both
11 hardware, and software, and various tools be implemented for
12 an overall lower cost than what is currently available
13 today. Thank you.

14 MS. GORNEY: Thank you. Can I have Tony, from
15 Bell Canada, please?

16 MR. CHOI: Tony Choi, from Bell Canada. When we
17 look at how the SMS/800 is being used by the various
18 RespOrgs. There are some that uses the SMS/800 as a
19 provisioning tool, while others just use it as a turn around
20 record. Meaning, the ones that uses the SMS/800 as a
21 provisioning tool will be demanding a lot more storage in
22 terms of data, as compared to the others that only use it as
23 a turn around record.

24 So we suggest, if we look at charging user of the
25 SMS/800 by the amount of data storage. That would perhaps

1 reduce the cost for those who uses the SMS/800 just as a
2 turn around record.

3 MS. GORNEY: Thank you. And could I have Chris
4 Rugh, from WorldWide Telegraph?

5 MR. RUGH: As we understood this question,
6 basically we just wanted to convey that we think it created
7 a monopoly for the administrator and created a market price.
8 That's what it sounded like in the question. Creating a
9 monopoly for the administrator would not be a good idea. It
10 does not serve the public interest. If -- you're looking
11 confused over there. No? Okay.

12 If in fact, what you mean by creating a market is
13 creating a monopoly for the administrator, we do not agree.
14 But if you are suggesting that we allow RespOrgs to "sell
15 numbers" or to sell the ability to reserve numbers, we could
16 be in favor of that. And I don't think I answered your
17 question, but that's how we read the question.

18 MS. GORNEY: Okay. Peter?

19 MR. GUGGINA: Peter Guggina, WorldCom. We believe
20 that a competitive environment, as far as administration,
21 can be achieved by a competitive bidding process as we have
22 experienced in other portions of North American Numbering
23 Plan process. With that said, if a competitive bid, or if a
24 change in the structure, is accomplished it would allow
25 more efficient changes to be performed to upgrade the system

1 to make it better, whether it's the existing system or a new
2 system, and so forth. And there is lots of room, I believe,
3 to improve that process.

4 So in conclusion, we think that a competitive bid
5 would drive it in the right direction. But before we get
6 there, we need to start with changing the administrative
7 control of the system that exists today. And the costs need
8 to be driven down. And that can be accomplished in a
9 variety of ways, but the surest way is through competition,
10 and if the RespOrgs and carrier costs are driven down, once
11 they're driven down, all it takes is one carrier to cut
12 price, and then you know what happens in the marketplace.
13 So the ultimate consumer or the users of those numbers will
14 be the ultimate benefactors.

15 MS. GORNEY: Okay. Thank you very much. And
16 Mitch Kaufman?

17 MR. KAUFMAN: Mitch Kaufman, NCS Pearson. We also
18 agree that a competitive environment is the best environment
19 to drive down the costs of the toll-free administration
20 system. But it's also important that, as I mentioned
21 before, the industry and other parties come together and
22 discuss the cost benefits of whatever interfaces that are
23 necessary in order to meet the requirements of the system
24 and other requirements of the system. Thank you.

25 MS. GORNEY: Thank you. And could I have Art

1 Brothers, from Beehive?

2 MR. BROTHERS: Art Brothers, Beehive Telephone.
3 Actually we should junk all the rates. I mean, it's a
4 terrible complex system to charge per dip and charge per
5 number. Just abolish the whole thing, and spread the costs
6 out as the Commission's indicated in its prior orders among
7 the industry as a whole. And Russell, you want to comment
8 on that?

9 MR. LUKAS: Well this sort of gets into the
10 second question about whether administration should be under
11 a tariff. Which of course, we don't agree with. We think
12 the way to drive down costs is to have the neutral
13 administration, competitive bidding, and to have all the
14 costs of the administration born by all telecommunications
15 carriers, essentially as required by the 1996 Telecom Act.
16 I think one thing we've learned since 1934 is that providing
17 services at monopoly and through rate regulations does not
18 bring down costs to consumers. I think we should switch
19 over to the same cost allocation methodology used with
20 respect to all other numbering administration.

21 MS. GORNEY: Okay. Thank you. And Jim?

22 MR. GRUDUS: Jim Grudus, from AT&T. We think that
23 -- AT&T believes that there is a bit of a natural flow here,
24 and that if you can take a look at changing the
25 administrative structure, moving towards a neutral

1 administrator. Then during that process, and subsequent to
2 it, you have the opportunity to develop some of the
3 specifics here. And to really try to vet those specifics at
4 this point in time might be a bit difficult in putting a
5 little bit of the cart before the horse. So we think it
6 develops a little bit more naturally as you go forward, and
7 there's some things that could be achieved quickly, put in
8 place and then we could develop the specifics concurrent and
9 as a follow on to it. Hopefully that -- it's at least a bit
10 of a process flow in terms of the FCC's activity to move
11 into a neutrally administered process, and subsequent to
12 that, move to some of the specifics that might be able to
13 reduce the costs.

14 MS. GORNEY: Okay. Thank you, Jim. And Norina
15 Moy?

16 MS. MOY: At least for now, what would be more
17 efficient is to revise the existing SMS/800 rate structure
18 to a rate structure which aligns use with the costs incurred
19 with the system usage. I think that's particularly
20 important as new features and functions come online, that
21 only the people who actually use that feature function
22 should pay for it.

23 MS. GORNEY: Okay. And our last speaker is Loren
24 Stocker.

25 MR. STOCKER: Loren Stocker, from Vanity

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1 International. Actually I just have a comment about
2 stability. There's been a lot of talk about costs, and I
3 know that's an issue especially for the larger more complex
4 systems. Consumers tend to be unaware of that. And from
5 the consumer point of view, I think the stability is
6 critical as well.

7 MS. GORNEY: Okay. Thank you. And we're running
8 a little bit out of time so we'd like to forego the last
9 question in the section, and move directly to the session
10 discussing a market-based system. Okay.

11 The first question on this subject is, we ask,
12 could a market-based system in which RespOrgs or subscribers
13 would be able to purchase toll-free numbers be established?
14 The second question, and related question is, what are the
15 costs and benefits of a market-based system?

16 And I'm going to have Les Selzer, from the Common
17 Carrier Bureau, speak first.

18 MR. SELZER: My friends asked me to put in a
19 disclaimer. The views presented in my presentation, and in
20 my written comments, are my own and not that of the
21 Commission. So if you take out your big red pen and put
22 that down on my end, now if you took a copy I'd appreciate
23 that.

24 Let me start off by talking about whether a market
25 could be established. I'm talking about, what are the

1 problems that we're trying to solve? I think before you
2 come to identifying solutions, you have to understand the
3 problems. And several problems have been mentioned today,
4 or several potential problems. Warehousing and hoarding are
5 two issues that were raised earlier today. Those sound like
6 pretty evil activities. But after discussion today, it's
7 pretty clear that some of that goes on, and no one really
8 seems to have a problem with it. No one has shown any harm,
9 or discussed any harm associated with those activities. At
10 one point, in the history of toll-free numbers, those
11 activities were a problem because there was a shortage of
12 toll-free numbers, and there was a concern that we would run
13 out of numbers.

14 I think the problems that are more relevant today
15 are, first of all, that there's a black market. And I think
16 everyone is agreed that there is a black market or an
17 unlawful market for toll-free numbers. And the real problem
18 with that market is that it's a very limited market, and
19 therefore, it doesn't achieve the maximum amount of
20 efficiency that it could. Only some parties in the industry
21 participate in that market and a lot of parties won't
22 participate because it's unlawful. So that's one of the
23 problems that we have, we don't have a level playing field.

24 The other problem that was discussed, and I think
25 is a very relevant problem, is that subscribers don't have

1 property rights to their numbers. They're not protected
2 from unauthorized disconnects or reassignments. And I
3 believe that there's two basic ways that we can go on in
4 terms of resolving these issues. The first is to write some
5 rules and have additional enforcement activities. That, I
6 think is a very complex approach. I think our experience
7 with writing rules in this very dynamic competitive market
8 is that it's very difficult to write very precise rules
9 because there's change taking place all the time. And
10 enforcement has also been very difficult because there's
11 nuances to interpretation.

12 The other approach is to embrace the market and go
13 with the market as opposed to trying to regulate this thing
14 in opposition to a market. And I think with over 200
15 RespOrgs and number portability, a market clearly is
16 feasible and workable.

17 Let me now move to the benefits of market. Why
18 should we adopt a market? Well first of all and most
19 important, I think that a market facilitates a transfer of
20 numbers to their highest and best use. We've had
21 considerable discussion about that, about the voluntary
22 transfer of numbers. Not only does it help get numbers to
23 the right people, those that value the most, but also can
24 avoid what I'll call an unintentional warehousing of
25 numbers. Currently under our regime, you pay 23 cents a

1 month for number. There is absolutely no incentive if you
2 have a high value vanity number to move that number into a
3 higher use if you don't want to violate the Commission's
4 rules. So the people that play by the rules, pay 23 cents a
5 month for a number. That's the opportunity costs. That's
6 the costs that they're looking at in holding onto the
7 number. And its consequence is very little incentive to
8 move that number to another user.

9 In the marketplace we would have a real economic
10 opportunity cost. What would someone be willing to pay for
11 that number? And once you take that into account, then you
12 can see where numbers that aren't highly used would be moved
13 from their low use to a much higher value use.

14 The second benefit of permitting a market is that
15 would level the playing field. As well all know, currently
16 there are some RespOrgs and subscriber that buy and sell
17 numbers, and others don't. This limited market is
18 inefficient. By allowing everyone to play in the same
19 marketplace, I think we'd have a much more robust and
20 efficient market.

21 Third, I think that market would confer property
22 rights to numbers. You can't have a market without property
23 rights. And property rights are very important because they
24 protect subscribers and they give value to numbers. And
25 finally, a market would reduce the need for regulations and

1 the need for interpreting regulations, getting rid of the
2 uncertainty associated with regulation. In a market
3 environment you need a limited number of rules, but you
4 don't need a lot of rules that require detailed
5 interpretations. And one of the reasons we're here today is
6 because we have rules and there's different interpretations
7 of those rules.

8 And finally, the last benefit of going to a market
9 approach is that it would be consistent with both the
10 Congressional intent and the intent of this Commission to
11 move to more pro-market deregulatory framework.

12 MS. GORNEY: Okay. Thank you, Les. And could I
13 have Tony, from Bell Canada, please speak?

14 MR. CHOI: Tony Choi, from Bell Canada. Okay.
15 Are we okay? We, up to this point, and we still do not know
16 what a market-based system is and what its impacts are to
17 the RespOrgs. And the way we see it is there will be
18 impacts on the minimum two fronts. There might be technical
19 issues and there may be operational issues. And if those
20 issues will be such that it will drive up the costs, then
21 Bell Canada will not be in support of a market-based system.

22 MS. GORNEY: Okay. Thank you, Tony. Could I have
23 someone from AFTA speak next?

24 MR. KNISHBACHER: First of all, I don't think
25 there's anything that Mr. Selzer said that we would not

1 agree with.

2 MS. GORNEY: Could you state your name?

3 MR. KNISHBACHER: Mitch Knishbacher, from AFTA.
4 We're totally in agreement with the comments that he made,
5 and there are a few other points I'd like to make. First of
6 all, as we went back and tried to analyze the history of
7 these rules, we realized that originally this whole concept
8 of no proprietary rights to numbers came out of the
9 technical requirements of the telephone network before the
10 database. At that point, the same way today with the non-
11 toll-free numbers, you have a technical requirement to
12 change numbers on occasion. And as the Commission's
13 familiar when area code splits occur, frequently have their
14 numbers changed. And if you allow proprietary rights and
15 numbers previously the owners of these numbers could argue
16 that they have a right to block these changes or to prevent
17 the telephone company, so to speak, from making changes.

18 With the database, it was not intended to change
19 this situation. But I think an unintended result of the
20 implementation of the database is that there's today no
21 technical reason to prevent owners from having the sole
22 right to numbers -- not numbers, I'm sorry, end-users.
23 There's no longer any reason for a RespOrg or for a carrier
24 to have any right whatsoever on a number. That's why we put
25 the database into effect, so that the end-user would be the

1 sole person with rights to a number, and they could choose
2 the RespOrg or the carrier of their choice.

3 Second of all, in our coalition we have two groups
4 of companies who are very interested in buying numbers. And
5 we are damaged day after day by Mr. Selzer's reflection that
6 because we are not willing to break the rules, we have to
7 sit by while other people may be out there purchasing or
8 doing whatever they're doing. And the two types of
9 companies are, first, shared use companies which take a
10 number like 800-NEWCARS, and instead of having one car
11 dealer in Washington, D.C. use the number, we can have
12 dozens of car dealers around the country using the same
13 number and getting a lot of use out of it, maximizing the
14 value of the number to all involved, and also conserving the
15 resource. Because instead of dozens and dozens of numbers
16 being taken, only one number is taken.

17 The second group of companies that we have in the
18 coalition is the companies who are involved in branding.
19 Companies like 1-800-FLOWERS. I'm telling you companies
20 like these, I'm going to mention the names of the companies
21 who are best known to the people in the audience rather than
22 specific numbers. But people have been involved in
23 companies like 800-DENTIST, 800-FLOWERS, people who are
24 involved in projects like 800-COLLECT, and 800-OPERATOR.
25 And what they want to do is they want to be the ones to

1 identify the next number that's sitting out there with a
2 small company in Iowa today, not being utilized, or with a
3 residential user, or sitting on a pager, and take that
4 number and turn it into an 800-FLOWERS, a 400 or 500 million
5 dollar company, with enormous benefits to the economy. And
6 the only thing that's preventing them from doing that today
7 is Commission's rule prohibiting transfers.

8 And we firmly believe that there is -- we have not
9 been able to ascertain any policy reason for the rule other
10 than to prevent hoarding. And the last point I'd like to
11 make is that, if the Commission still believes that the
12 prohibition on transfers is necessary to prevent hoarding,
13 that should only apply to new codes. There is no reason in
14 the world to say that with respect to the 800 code, which is
15 the one that's most sought after by direct marketing
16 companies, by other companies involved in this industry,
17 that you should not allow free transfers because the 800
18 code is totally exhausted anyway. It's been exhausted for
19 five years. There are only a handful of 800 numbers
20 available, and allowing the free transfer between companies
21 will be allowing the marketplace to bring great benefit to
22 everyone involved. And there's no possible way that it can
23 effect exhaustion because the 800 code is already exhausted
24 for all practical purposes. Thank you.

25 MS. GORNEY: Okay. And thank you very much.

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